



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IX

75 Hawthorne Street

San Francisco, CA 94105-3901

16 APR 1993

CERTIFIED MAIL P 389 854 605  
RETURN RECEIPT REQUESTED

Mr. George R. Wagner  
President, Cerrillos Land Company  
6200 Uptown Blvd.  
Albuquerque, New Mexico 87110

Re: DEMAND FOR PAYMENT OF COSTS  
Blue Water Uranium (Santa Fe) Superfund Site #9T1L  
Prewitt, New Mexico

Dear Mr. Wagner:

**Background**

Pursuant to the authority contained in §104 of the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), as amended, 42 U.S.C. §9604, the United States Environmental Protection Agency ("EPA") determined that there was a release or substantial threat of release of hazardous substances from abandoned uranium mine pits, overburden, and mining ore debris on land owned by the Cerrillos Land Company (Cerrillos) in the Blue Water Quadrangle, 5 miles west of Prewitt, New Mexico. The EPA also made the same finding of a release of hazardous substances on four nearby parcels, one of which was owned by the Department of Energy and three of which were held in trust by the United States for Native American Allottees.

EPA's finding of a release was based on a preliminary radiological assessment conducted on these parcels on November 15 and 16, 1990. The subsequent EPA Preliminary Assessment Gamma Survey and Laboratory Data Report documented elevated gamma emissions 50 times background and elevated concentrations of radionuclides which could pose potential harm to human health, welfare, and the environment.

On June 19, 1991, Pursuant to Section 107(a) of CERCLA, the EPA notified Richard T. Zitting, President of the Santa Fe Pacific Mining Company (SFPM), that SFPM was a potentially responsible party with respect to the Site. Thereafter, Mr. Tim Leftwich of Cerrillos informed the EPA that Cerrillos, not SFPM, was the actual owner of the mineral estate for the Site.

Based on the information provided to the EPA by Mr. Leftwich, the EPA issued an Administrative Order on July 29, 1991, pursuant to §106(a) of CERCLA, to the following three entities who had been identified as potentially responsible parties with regard to the Site:

- 1) The Atchison, Topeka, & Santa Fe Railway Company
- 2) The Santa Fe Pacific Railroad Company
- 3) The Cerrillos Land Company.

Based on Findings of Fact and Conclusions of Law stated in the Order, the EPA determined in the Order that the conditions at the Site may have presented an imminent and substantial endangerment to public health, welfare, and the environment. Accordingly, the Order directed the respondents to undertake certain response actions at the Site, under the direction of the EPA On-Scene Coordinator.

The Order required the respondents to submit a Site Stabilization plan and Work Plan describing the removal activities to be conducted at the Site to address the serious potential radiological hazards affecting the health and welfare of local residents. The Order further required the respondents to promptly commence implementation of the response activities, once the Work Plan had been approved.

Cerrillos agreed to comply with the EPA §106(a) order to clean up the Site with EPA providing oversight during the cleanup. On August 25, 1991, Cerrillos submitted its Work Plan to the EPA On-Scene Coordinator. On August 30, 1991, the revised Work Plan was approved. On August 30, 1991, CLC mobilized its contractor, Taylor Excavation Company, to perform the response work.

On September 4, 1991, Taylor Excavation Company began to conduct the required response activities required by the order to reduce the gamma radiation to below 50 ur/hour. Taylor completed the cleanup and remediation activities on October 23, 1991.

#### **Cost Reimbursement**

Under Sections 106(a) and 107(a) of CERCLA, 42 U.S.C. §9606(a) and §9607(a), responsible parties may be held liable for all costs incurred by the Government (including interest) in responding to any release or threatened release of hazardous substances at the Site. Such costs include, but are not limited to, expenditures for investigation, planning, response, and enforcement activities.

Responsible parties under CERCLA §107(a), 42 U.S.C. §9607(a) include current and former owners or operators of a facility and persons who arranged for treatment and/or disposal of hazardous substances at the facility ("generators"). As you

were previously informed, the EPA considers Cerrillos to be a potentially responsible party with respect to the Site.

The EPA has incurred at least \$14,121.16 in costs for response actions related to the Site as of March 12, 1993. Enclosed is a summary of these expenditures. Please note that this amount does not include costs incurred by the EPA with respect to the United States Department of Energy Site or the Native American Allottee Sites referenced in paragraph one of this letter. Pursuant to Section 107(a) of CERCLA, demand is hereby made for payment of the above amount plus any and all interest recoverable under §107 or any other provisions of law.

Although we do not expect any delay in your payment, please be advised that, in accordance with CERCLA, §107(a), 42 U.S.C. §9607(a), interest on past costs incurred shall accrue from the date of this demand for payment. Interest on the amount of \$14,121.16 will be waived, however, if your payment is received in the time prescribed below. Interest rates are variable. The rate applicable on any unpaid amounts for any fiscal year is the same as is specified for interest on investments of the Hazardous Substance Superfund which is determined by the Department of the Treasury.

#### **Payment Schedule**

Please provide a check in the amount of \$14,121.16 within thirty (30) calendar days from the date of this letter. The check should be made payable to the "U.S. EPA Hazardous Substance Superfund" established pursuant to CERCLA in Title 26, Chapter 98, of the Internal Revenue Code. The check and accompanying transmittal letter should clearly reference the identity of the Site (Blue Water Uranium (Santa Fe) Superfund Site #9T1L) and should be sent to:

U.S. EPA - Region 9  
ATTN: Superfund Accounting  
P.O. Box 360863M  
Pittsburgh, PA 15251

Please send a copy of the check and transmittal letter, and direct any general questions you may have concerning matters discussed herein to:

William J. Weis III  
U.S. Environmental Protection Agency, Region IX  
Removal Enforcement Section, H-8-4  
75 Hawthorne Street  
San Francisco, CA 94105  
(415) 744-2297

If you have any questions regarding your liability, please contact Linda Wandres, Assistant Regional Counsel, not later than (30) calendar days after the date of this letter. Ms. Wandres may be reached at:

U. S. Environmental Protection Agency, Region IX  
Office of Regional Counsel, RC-1  
75 Hawthorne Street  
San Francisco, CA 94105  
(415) 744-1359

Thank you for your attention to this matter.

Sincerely,



Donald C. White, Chief  
Field Operations Branch  
Hazardous Waste Management Division

Enclosures



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IX

75 Hawthorne Street  
San Francisco, Ca. 94105

DATE: March 12, 1993

MEMORANDUM

SUBJECT: Informal Cost Summary #93-038  
Superfund Site #9T1L, Blue Water Uranium

FROM: *Ref: for*  
David Wood, P-4-2-3

TO: Bill Weis, H-8-4

In response to your request for costs for the above mentioned Superfund site, we are providing the following information along with copies of reports from EPA's Financial Management System.

Contract, Travel and Other Costs.....\$ 1,063.83  
As of 31 Jan 1993

EPA Payroll Costs.....\$ 5,192.33  
AS of 31 Jan 1993

Indirect Costs.....\$ 7,865.00  
As of 31 Jan 1993 -----

Total Costs.....\$14,121.16  
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Please bear in mind that these costs may not have been reconciled to their source documents. Some contractor costs were not charged site specifically when paid and are not included in the above amounts. State matching expenditures are not included in EPA's Financial Management System (IFMS). Those costs are available from the state involved.

If you have any questions regarding the above information, please contact Catherine Shen at 744-1741.

cc: Sharon Johnson, H-7-4

Attachments

NONPAYROLL COSTS FOR REGION IX SUPERFUND SITES  
 FOR REGION-9 AND HDQTRS  
 \* FINAL IFHS RECONCILIATION PENDING \*  
 PREPARED BY SUPERFUND ACCOUNTING TEAM (SFAL2)  
 1 JAN 1980 - 31 JAN 1993

SFSITENO 1L

S F O	S O F	DOC CONTRL NUMBER	SOC. SEC. NO. (TRAVEL)	TRAVELER NAME	AH	ACCOUNT NUMBER	OBLIG DOCUMENT NUMBER	OBJT CLAS	CUM PAYMENTS (EXCLUDING ADVANCES)	POSTING DATE
09	1	TV0236		WANDRES, L	09	1TJB09D51L	OTRT864473	2123	230.00	09-21-91
	1	TV0236		WANDRES, L	09	1TJB09D51L	000T864473	2121	19.50	09-21-91
	1	TV0236		WANDRES, L	09	1TJB09D51L	000T864473	2124	7.25	09-21-91
	1	TV0236		WANDRES, L	09	1TJB09D51L	000T864473	2125	34.33	09-21-91
	1	TV0236		WANDRES, L	09	1TJB09D51L	000T864473	2127	15.00	09-21-91
	2	830012		BORNSTEIN,	09	2TGB09K51L	OTRT912917	2123	180.00	11-08-91
	2	830012		BORNSTEIN,	09	2TGB09K51L	000T912917	2121	220.50	11-08-91
	2	830012		BORNSTEIN,	09	2TGB09K51L	000T912917	2124	15.00	11-08-91
	2	830012		BORNSTEIN,	09	2TGB09K51L	000T912917	2125	276.71	11-08-91
	2	830012		BORNSTEIN,	09	2TGB09K51L	000T912917	2127	65.54	11-08-91
							TOTAL SFO		1,063.83	
							TOTAL SFSITENO		1,063.83	

PAYROLL COSTS FOR REGION IX SUPERFUND SITES  
 FINAL IFMS RECONCILIATION PENDING  
 PREPARED BY SUPERFUND ACCOUNTING TEAM (PAY2)  
 1 JAN 1980 - 31 JAN 1993

SFSITENO 1L

AH RC	BUD FIS YEAR	NAME	SOC SEC #	P P	PAYR HOURS	PAYR AMOUNT
09D	91	WANDRES	[REDACTED]	24	22.0	632.93
		WANDRES	[REDACTED]	25	8.0	230.16
		TOTAL SFBFY			30.0	863.09
	92	WANDRES	[REDACTED]	06	1.0	30.81
		TOTAL SFBFY			1.0	30.81
		TOTAL AHRC			31.0	893.90
09K	91	BORNSTE	[REDACTED]	22	12.0	337.33
		BORNSTE	[REDACTED]	23	11.0	309.19
		BORNSTE	[REDACTED]	26	8.0	224.93
		BORNSTE	[REDACTED]	27	16.0	448.01
		WEIS II	[REDACTED]	00	55.0	1,838.42
		TOTAL SFBFY			102.0	3,157.88
	92	BORNSTE	[REDACTED]	02	4.0	111.28
		BORNSTE	[REDACTED]	03	37.0	1,029.27
		TOTAL SFBFY			41.0	1,140.55
		TOTAL AHRC			143.0	4,298.43
		TOTAL SFSITENO			174.0	5,192.33

WORKSHEET FOR CALCULATING INDIRECT COSTS FOR  
COST RECOVERY PURPOSES

Site Name and Number: Blue Water Uranium, Site #9T1L

	Direct Hours by Responsibility Center				Total Hours	X	Rate	=	Subtotal	
	09K	+	09L	+	09M					
FY 1983	***	+	***	+	***	0.0	X	\$65.00	=	\$0.00
FY 1984	***	+	***	+	***	0.0	X	\$63.00	=	\$0.00
FY 1985	***	+	***	+	***	0.0	X	\$56.00	=	\$0.00
FY 1986	***	+	***	+	***	0.0	X	\$54.00	=	\$0.00
FY 1987	***	+	***	+	***	0.0	X	\$55.00	=	\$0.00
FY 1988	***	+	***	+	***	0.0	X	\$55.00	=	\$0.00
FY 1989	***	+	***	+	***	0.0	X	\$55.00	=	\$0.00
FY 1990	***	+	***	+	***	0.0	X	\$55.00	=	\$0.00
FY 1991	102.0	+	***	+	***	102.0	X	\$55.00	=	\$5,610.00
FY 1992	41.0	+	***	+	***	41.0	X	\$55.00	=	\$2,255.00
FY 1993	***	+	***	+	***	0.0	X	\$55.00	=	\$0.00

Total Hours: 143.0

Total Indirect Costs  
to claim in Cost Recovery:

\$7,865.00  
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Note: Rates for Fiscal Years 1983, 1984, 1985, 1986 & 1987 are final.  
Rates for Fiscal Years 1988, 1989, 1990, 1991, 1992 & 1993 are  
provisional.



## Costs

**May 14, 1992**

EPA	\$379,969.46
TAT	\$ 45,455.38
ATSDR	\$ 10,000.00
ERT	\$ ??????.??
EERU	\$ ??????.??
	<u>\$435,424.84.</u>

**June 1, 1992**

Laguna Construction	\$ 232,626.70
EPA	\$ 155,662.27
TAT	\$ 46,505.70
ATSDR	\$ 10,000.00 (est)
ERT	\$ 20,000.00 (est)
REAC	\$ 30,000.00 (est)
	<u>\$ 464,479.67.</u>

**June 19, 1992**

Laguna Construction	\$ 232,626.70
EPA	\$ 155,662.27
TAT	\$ 46,505.70
ATSDR	\$ 10,000.00 (est)
ERT	\$ 20,000.00 (est)
EPA @ REAC	\$ 4,434.00
REAC	\$ 37,439.00
	<u>\$ 466,352.67.</u>

**June 24, 1992**

Laguna Construction	\$ 232,626.70
EPA	\$ 155,662.27
TAT	\$ 46,504.80**revised TAT letter report
ATSDR	\$ 10,000.00 (est)
ERT	\$ 20,000.00 (est)
EPA @ CINTI/REAC	\$ 4,434.00
REAC	\$ 37,439.00
	<u>\$ 466,351.77</u>

**OCT. 20, 1992**

Laguna Construction	\$ 232,626.70
EPA	\$ 155,662.27
TAT	\$ 46,504.80
ATSDR	\$ 10,308.0
ERT	\$ 20,000.00 (est)
EPA @ CINTI/REAC	\$ 4,434.00
REAC	\$ 37,437.50
	<u>\$ 506,97.27</u>